

AR52

MASSVAL MINES LIMITED

NO PERSONAL LIABILITY

NINTH ANNUAL REPORT

President

A. W. JOHNSTON

Vice-President

W. C. CAMPBELL

Secretary

L. E. WETMORE

Treasurer

W. M. O'SHAUGHNESSY

Directors

A. W. JOHNSTON

W. C. CAMPBELL

L. E. WETMORE

W. M. O'SHAUGHNESSY

H. B. HICKS

Transfer Agent and Registrar

CANADA PERMANENT TRUST COMPANY

MONTREAL

Auditors

CAMPBELL, LAWLESS & PUNCHARD, TORONTO

Head Office

SUITE 914 - 1155 DORCHESTER BOULEVARD WEST

MONTREAL 2, QUEBEC

Executive Office

SUITE 1600 - 100 ADELAIDE STREET WEST

TORONTO 1, ONTARIO

FOR THE YEAR ENDED DECEMBER 31, 1968

DIRECTORS' REPORT TO THE SHAREHOLDERS:

We take pleasure in presenting the ninth Annual Report of the Company covering the year ended December 31, 1968, together with the financial statements as of that date and the Auditors' Report thereon.

During the year, advantage was taken of a favourable market to dispose of the Company's share interest in Consolidated Canadian Faraday Limited at a figure substantially above original cost. Approximately 50% of the proceeds from this sale were reinvested through the purchase of 7½% convertible notes of Consolidated Canadian Faraday Limited. These are repayable from the proceeds of a rights offering presently being prepared by Faraday or, alternatively, may be converted to shares of Faraday at the rights offering price to the extent that shares may be available through unexercised rights. The due date of the notes is August 31, 1969, but may be renewed at that time for a further period not to exceed nine months.

Massval is now in a favourable position to pursue an active exploration program and, as a first step, has acquired, under option, two groups of claims, with a combined area of approximately 1,500 acres, in the Wollaston Lake area of northern Saskatchewan. Contracts have been let for geological and geophysical surveying of both groups, to be followed by diamond drilling. The surveying will start about May 15th and the diamond drilling about one month thereafter.

The Annual Meeting of Shareholders has been called for April 30th, 1969, at the Aeroport Hilton Hotel, Dorval, Quebec, at 9:00 o'clock in the forenoon. A notice of meeting and proxy form are enclosed.

On Behalf of the Board

ASHTON W. JOHNSTON
President

April 2, 1969
Toronto, Ontario

BALANCE SHEET

December 31, 1968

MASSVAL MINES LIMITED

(No Personal Liability)

(Amalgamated under the laws of Quebec)

ASSETS

CURRENT		1967
Cash in bank	\$ 37,650	\$ 2,641
Due from broker	35,747	—
	73,397	2,641
Investment in shares of other mining company at cost less proceeds of sale	—	91,902
Investment in unsecured convertible notes (7½%) of Consolidated Canadian Faraday Limited (principal \$80,000) at cost	76,000	—
Interest in mining claims, at cost	1,162	1,162
Preproduction expenditure	40,755	36,407
	<u>\$ 191,314</u>	<u>\$ 132,112</u>

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	\$ 784	\$ 916
CAPITAL STOCK		
Authorized: 5,000,000 shares of the par value of \$1.00 each		
Issued: 2,947,798 shares	\$2,947,798	2,947,798
Less discount on shares	2,062,458	2,062,458
	885,340	885,340
DEFICIT	694,810	754,144
	190,530	131,196
	<u>\$ 191,314</u>	<u>\$ 132,112</u>

Approved on behalf of the Board

H. BRODIE HICKS, Director.

W. M. O'SHAUGHNESSY, Director.

AUDITORS' REPORT

We have examined the balance sheet of Massval Mines Limited (No Personal Liability) as at December 31, 1968 and the statements of deficit, preproduction expenses and source and application of funds for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the Company, the accompanying balance sheet and statements of deficit, preproduction expenses and source and application of funds are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Company as at December 31, 1968 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario
April 9, 1969

CAMPBELL, LAWLESS & PUNCHARD
Chartered Accountants

PREPRODUCTION EXPENSES MASSVAL MINES LIMITED

year to December 31, 1968

(No Personal Liability)

		1967
Balance at beginning of year	\$ 36,407	\$ 32,104
EXPLORATION EXPENSES		
Valrennes Township, Province of Quebec		
Licences and fees	447	447
ADMINISTRATIVE EXPENSES		
Head office and accounting services	\$ 1,200	800
Government fees and taxes	154	165
Legal and audit	200	650
Miscellaneous	17	60
Shareholders' information and annual meeting expense	597	489
Stock Exchange fees	100	100
Transfer agents' fees and expenses	1,901	1,592
	4,169	3,856
Less interest earned	268	—
	3,901	3,856
Total preproduction expenses for the year	4,348	4,303
Balance at end of year	\$ 40,755	\$ 36,407

SOURCE AND APPLICATION OF FUNDS

year to December 31, 1968

	December 31, 1968	December 31, 1967	December 31, 1966
CURRENT ASSETS	\$ 73,397	\$ 2,641	\$ 6,741
CURRENT LIABILITIES	784	916	713
Working capital	\$ 72,613	\$ 1,725	\$ 6,028
Increase (decrease) in working capital	\$ 70,888	\$(4,303)	—
SOURCE OF FUNDS			
	1968	1967	
Sale of investments	\$ 151,236	\$ —	
APPLICATION OF FUNDS			
Preproduction expenses	\$ 4,348	4,303	
Purchases of investment in other mining company	76,000	—	
	80,348	4,303	
Increase (decrease) in working capital	\$ 70,888	\$(4,303)	

DEFICIT

year to December 31, 1968

	1967
Balance beginning of year	\$ 754,144
Deduct profit on sale of investments	59,334
Balance end of year	\$ 694,810
	\$ 754,144